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No.

In The
Supreme Court of the United States

SANDRA SLAYDON HAWES,
ROBERT A. MUSCARELLA, MANOHAR B. KADAM,
CAROLYN HOLDER,
pro se, on behalf of themselves and class of similarly situated persons,

Petitioners

v.

JOHNSON & JOHNSON, et al,

Respondents

On Petition for Writ of Certiorari
to The United States Court of Appeals for the Third Circuit

APPENDIX TO PETITION FOR WRIT OF CERTIORARI VOLUME II APP. 44-95

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[1] May it please the Court, by information provided by the Clerk of Court, Petitioners are informed, the RULES of the Supreme Court of the United States, adopted January 11, 1999, effective May 3, 1999, do not prohibit inclusion of a TRANSCRIP which has not been certified.

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SEVERANCE PLAN AND SUMMARY PLAN

DESCRIPTION of

JOHNSON & JOHNSON AND AFFILIATED COMPANIES

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ARTICLE 1
General

1.1 Purpose - This Severance Pay Plan and Summary Plan Description is being established by Johnson & Johnson to provide separation pay under certain circumstances to Participants whose employment with the Company is terminated under a Severance Event contained in Article 4.1. The sole purpose for payment of benefits under this Plan is to assist Participants when they are unemployed during the transition period when they are attempting to secure a new position.

1.2 Funding - Plan benefits shall be paid from the general assets of the Johnson & Johnson company employing the Participant.

1.3 Effective Date - This Plan shall become effective on the date it is executed.

1.4 Prior Documents - This Plan shall supersede all prior guidelines, plans, policies, practices, arrangements, etc., pertaining to severance pay, separation, pay or termination pay in effect prior to the effective date of this Plan.

ARTICLE 2
Definitions

2.1 Administrator - The "Administrator" of this Plan shall be the Pension Committee.

2.2 Company - The "Company" is Johnson & Johnson and includes any of its wholly-owned subsidiaries listed on Exhibit A hereof.

2.3 Compensation - "Compensation" shall mean a Participant's base salary or rate in effect upon the occurrence of the Participant's Severance Event.

2.4 Eligibility Employee - An "Eligible Employee" is a participant who meets all the eligibility requirements of Article 3.

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2.5 Participant - A "Participant" is a regular full-time salary or hourly employee of the Company who is not a member of a bargaining unit (unless the Company has agreed through collective bargaining to include such unit in the Plan.)

2.6 The Pension Committee - The "Pension Committee" is a Committee named by the Board of Directors of Johnson & Johnson to administer and supervise employee benefit plans of the Company.

2.7 Plan - The "Plan" means the Severance Plan and Summary Plan Description of Johnson & Johnson and Affiliated Companies as set forth herein and as amended from time to time.

2.8 Plan Sponsor - The "Plan Sponsor" is Johnson & Johnson.

2.9 Plan Year - A "Plan Year" is the calendar year except that the first Plan year is the period beginning on the Effective Date and ending an the following December 31.

2.10 Severance Event - A "Severance Event" is the involuntary termination of a Participant's employment with the Company, as defined further in Article 4.1(a) and not excluded in Article 4.1(b).

2.11 Year of Service - A "Year of Service" is a twelve month period of employment as an Eligible Employee. An approved leave shall be considered as a period of

employment for purposes of this Section 2.9 provided the Participant returns to actual service immediately upon completion of the approved leave. Should the Participant not return to active service immediately following an approved leave, the period of approved leave shall not be considered as a period of employment for purposes of this Section 2.9

ARTICLE 3
Participation

3.1 Participation Requirements - Participation in the Plan is available to all Participants as defined in Article 2.5 as of the Effective Date.

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ARTICLE 4
Eligibility for Benefits

Severance Events

(a) Subject to Section 4.2, a Participant shall be eligible for the benefits provided in Article 5 if his or her employment with the Company is involuntarily and permanently terminated as the result of any one of the following events:

i. position elimination;

ii. A Participant's inability to meet the requirements of his or her position;

iii. reduction in force, or

iv for such other reasons as the Pension Committee may, in its sole discretion, deem appropriate.

(b) A Participant, is not eligible for the benefits provided in Article 5 if his or her employment is terminated as a result of any one of the following events:

i. voluntary resignation;

ii. Retirement (except that a Participant whose employment is terminated as a result of an event listed in Article 4. 1 (a) and who elects to retire under a retirement plan of the Company shall be granted severance pay hereunder;

iii. the merger, divestiture or other sale of all or part of a business unit of the Company;

iv. the Participant refuses a position with the Company, which, in

[end of page 6] **100006**

the sole opinion of the Pension Committee, is comparable to or higher than the Participant's current position;

v. layoff;

vi. discharge for (i) misconduct, (ii) a violation of Company rules, policies, and/or practices or (iii) conduct considered by the Pension Committee to be detrimental to the Company.

vii. The Pension Committee reserves the absolute discretion to deny severance pay to any individual who obtains comparable employment with another employer after termination of her or his employment from the Company.

viii. Such other reasons as the Pension Committee shall, in its sole discretion, determine to be cause for denying benefits under this Plan.

4.2 Severance Pay for Collective Bargaining Units

Severance pay, if any, for Participants covered by a collective bargaining agreement will be governed by the specific provisions of such agreement. Unless a collective bargaining agreement specifically and expressly incorporates this Plan, employee covered by said agreement will not be eligible to participate in this Plan.

4.3 Determination of Eligibility

The Pension Committee shall, in its sole discretion, determine whether or not a Severance Event has occurred with respect to a Participant and may impose such other eligibility conditions on payment of benefits hereunder as it may deem advisable. The Pension Committee shall have absolute discretion in interpreting or applying the terms of this Plan.

ARTICLE 5
Amount and Payment of Benefits

5.1 Amount of Benefits Subject to Article 5.4

Participants who experience a Severance Event and who satisfy all eligibility conditions of Article 4 hereof, shall be eligible to receive compensation under the following Severance Pay Schedule:

(a) Benefit Formula: Two (2) weeks of compensation Per Year of Service

(b) Minimum Benefit:

i. Non-Exempt 4 weeks of compensation

ii. Non-Bonus Exempt 8 weeks of compensation

iii. Bonus Exempt 12 Weeks of compensation

(c) Maximum Benefit: 104 weeks of compensation

(d) The Pension Committee may, in its sole discretion, authorize a reduction in the severance pay to a Participant hereunder by the amount at of any discharge, dismissal, or severance allowance or similar payment to which the Participant is or shall be entitled by reason of any law, regulation, ruling, legal proceeding, other Plan of Company, or other plan to which the Company directly or indirectly contributes, to the extent that such amount is not attributable to the Participant's own contributions

(e) Unemployment Compensation -- The amount of any unemployment compensation benefits paid by the Company, directly or indirectly, while severance payments are being made hereunder will be deducted from said severance pay.

5.2 Other Benefits

Eligibility for other benefits will be determined in accordance with the appropriate documents describing those benefits where appropriate.

[end of page 8] **100008**

5.3 Schedule and Timing of Severance Payment

Payment of severance pay hereunder shall commence to a Participant as soon as practicable after separation from the Company. Payments shall be made in accordance with the Participant's normal payroll schedule (i.e., weekly, bi-monthly, monthly) until all benefits have been paid, except that the Company reserves the right to prepay benefits in such lesser period of time (including payment in a lump sum) as selected by the Company.

5.4 Forfeitability of Benefits

Nothing in this Plan shall be construed as giving any Participant or beneficiary a non-forfeitable or vested right to any benefits hereunder. The Company may discontinue benefits otherwise payable to a Participant who obtains other employment or to a Participant or beneficiary who does not abide by the eligibility conditions posed by the Pension Committee pursuant to Section 4.3.

5.5 Death of Participant

If a Severance Event occurs by which a Participant becomes eligible for severance pay under the Plan, but the Participant dies prior to payment of all such severance pay, the Participant's beneficiary, as designated on his or her group life insurance enrollment form, shall be entitled to receive the balance of the severance pay but all benefits under Section 5.2 shall cease upon the Participant's death, except to the extent otherwise provided in the applicable plan or as required by law. If the designated beneficiary is no longer alive, payments shall be made to the Participant's surviving spouse or, if the Participant has no surviving spouse, to such surviving heir or heirs of the Participant in such amount or amounts as the Pension Committee shall determine in its sole discretion.

ARTICLE 6
Administration

6.1 The Employment Retirement Income Security Act of 1974

This Plan is a welfare Plan as defined in the Employee Retirement Income Security Act of 1974 ("ERISA") and is funded by the Company's assets.

[end of page 9] **100009**

6.2 Named Fiduciary

Johnson & Johnson is the Named Fiduciary of the plan and the plan sponsor.

Address: One Johnson & Johnson Plaza
New Brunswick, New Jersey
08933

Telephone: (908) 524-0400

6.2 The Plan Administrator

The Pension Committee appointed by the Board of Directors of Johnson & Johnson is the Plan Administrator.

Address: One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933

Telephone: (908) 524-0400

6.4 Power and Duties of the Administrator

The Pension Committee shall have the authority to control and manage the operation and administration of the Plan, including all rights and powers necessary or convenient to carry out its functions hereunder, whether or not such rights and powers are specifically enumerated herein. Without limiting the generality of the foregoing, and in addition to

the other powers set forth in this Plan, the Pension Committee shall have the following express authority:

(a) To construe and interpret the Plan and decide all questions concerning length of Company Service, the existence of a Severance Event and eligibility for participation and benefits, as well as any other questions concerning the interpretation or application of its terms.

(b) To prescribe procedures to be followed by Participants for applying for benefits hereunder;

(c) To prepare and distribute, in such manner as the as he pension Committee determines to be necessary or appropriate, information explaining the Plan;

[end of page 10] **100010**

(d) To receive from the Company and from Participants such information as shall be necessary for proper administration of the Plan.

(e) To amend or terminate the Plan in whole or in part at any time without prior consultation or notice to Participants;

(f) To consult with counsel, accountants, actuaries or other advisors (who may also be advisors for the Company) and also the services of employees and agents of the Company in the discharge of its responsibilities; and

(g) To delegate its authority hereunder.

6.5 Pension Committee Members as Participants

Members of the Pension Committee may also be Participants but they shall not make any discretionary decision or take any action affecting themselves as Participants unless such decision or action is upon a matter that affects all other similarly situated Participants and confers no special right, benefit, or privilege on the members of the Pension Committee not simultaneously conferred upon such other Participants.

6.6 Records and Reports

The Administrator shall take any actions it deems necessary or appropriate to comply with laws and regulations relating to maintenance of records, notification to Participants, reports to the United States Department of Labor, and all other requirements applicable to the Plan.

ARTICLE 7
Claims

7.1 Claim Procedure

(a) A Participant who is determined not to be entitled to Plan benefits may file with the Administrator a signed, written application for benefits specifically identifying the benefits claimed and describing all facts and circumstances entitling the Participant to payment of benefits.

[end of page 11] **100011**

(b) Within 90 clays after receipt of a claim for benefits, the Administrator shall notify the Participant of the Administrator's decision. If the claim is denied in whole or in part, the Administrator's notice of denial shall he in writing and shall give:

i. the specific reasons for denial with specific reference to pertinent Plan provisions upon which the denial was

based; a description of any additional materials or information necessary for the Participant to perfect the claim and an explanation of why the materials or information are necessary; and

iii. an explanation of the Plan's claim review procedure.

(c) For a period of 60 days after receiving the Administrator's notice of denial, a Participant or his or her duly authorized representative may:

i. review plan documents; and

ii. submit a written request to the administrator for review of he benefit denial

(d) A Participant submitting a request for review shall be allowed to submit issues in writing to the administrator.

(e) The Administrator shall afford any Participant so requesting a full and fair review of the decision denying the Participant's claim; and the Administrator, in its sole discretion, may hold a hearing to review any or all issues raised by the Participant. The Administrator shall issue a written decision to the Participant within 60 days after receipt of the request for review (unless special circumstances, such as the need to hold a hearing, require an extension of time, in which case a decision shall be rendered as Soon as possible but no later than 120 days after the request for review). The Administrator's decision shall give specific reasons for the decisions, written in a manner calculated to be understood by the Participant and shall include specific references to the pertinent Plan provisions upon which the decision is based.

ARTICLE 8
Miscellaneous

8.1 No Guarantee of Employment, etc.

Neither the creation of the Plan nor anything contained herein shall be construed as giving any Participant or other Employee any right to remain in the employ of the Company, any equitable or other interest in the assets, business, or affairs of the Company, or any right to challenge any action taken or policy adopted or pursued by the Company.

8.2 Controlling-Law

The terms of the Plan and the rights and duties of all parties hereto or persons affected hereby shall be construed and determined according to ERISA to the extent applicable. It is intended that the Plan shall be an employee welfare benefit plan as described in Section 3(1) of ERISA. In the event of any ambiguity in the Plan, the construction of the Pension Committee shall be within its sole discretion and shall be binding for all purposes; provided, however, that the Plan shall always be construed in compliance with applicable law.

8.3 Severability

If any provision of the Plan is held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal and invalid provision were not included.

ARTICLE 9
Amendment and/or Termination

9. 1 Right to Amend or Terminate

Johnson & Johnson, as Plan Sponsor, reserves the absolute right to amend or terminate this Plan and Summary Plan Description, at any time and in whole or in part, without prior consultation or notice to the Plan participants.

9.2 Termination or Amendment Procedure

The right to amend or terminate may be exercised by the Board of Directors of Johnson & Johnson in accordance with its normal procedures. Such right may be delegated to the Pension Committee or an officer or group of officers of Johnson & Johnson.

Upon delegation, the right to terminate or amend this Plan and Summary Plan Description may be exercised by a writing setting forth the amendment and/or termination and executed by the individual or individuals to whom this authority has been delegated.

IN WITNESS WHEREOF, The Severance Plan and Summary Plan Description of Johnson & Johnson and Affiliated Companies is executed by The Pension Committee this 8th day of September, 1992.

JOHNSON & JOHNSON

By Members of The Pension Committee

_____

_____

_____

_____

_____

RETIREMENT PLAN OF JOHNSON & JOHNSON

AND AFFILIATED COMPANIES

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RETIREMENT PLAN OF
JOHNSON & JOHNSON AND AFFILIATED COMPANIES

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ARTICLE 12
EARLY RETIREMENT INCENTIVES

Early retirement incentive programs, as adopted from time to tine by the Employer, are described in Exhibit E.

EXHIBIT A

SALARIED COVERAGE AS OF JANUARY 1, 1989
JOHNSON & JOHNSON AND AFFILIATED COMPANIES

"A"-COMPANY
CHICOPEE
CODMAN & SHURTLEFF, INC.
CRITIKON, INC.
DEVRO, INC.
ETHICON ENDO-SURGERY ETHICON, INC.
FIRST STATE CHEMICAL COMPANY
INMULOK, INC.
IMMUNOBIOLOGY RESEARCH INSTITUTE
IOLAB CORPORATION
JANSSEN PHARMACEUTICAL, INC.
JOHNSON & JOHNSON
JOHNSON & JOHNSON ADVANCED BEHAVIORAL TECHNOLOGIES
JOHNSON & JOHNSON CONSUMER PRODUCTS
JOHNSON & JOHNSON DEVELOPMENT CORPORATION
JOHNSON & JOHNSON FINANCE CORPORATION
JOHNSON & JOHNSON HOSPITAL SERVICES
JOHNSON & JOHNSON INTERNATIONAL J
JOHNSON & JOHNSON PROFESSIONAL, INC.
JOHNSON & JOHNSON SHARED SERVICES
JOHNSON & JOHNSON VISION PRODUCTS, INC.
(Formerly Vistakon, Inc.)
LIFESCAN
McNEIL PHARMACEUTICAL
McNEIL / PERSONAL PRODUCTS COMPANY
NORAMCO, INC.

ORTHO BIOTECH, INC.
ORTHO DIAGNOSTIC SYSTEMS, INC.
ORTHO PHARMACEUTICAL CORPORATION
SITE MICROSURGICAL SYSTEMS, INC.
SOMERSET LABORATOREES, INC.
SURGIKOS, INC.
THERAKOS, INC.
WINDSOR MINERALS, INC.

EXHIBIT E

EARLY RETIREMENT INCENTIVE PROGRAMS

1. Voluntary Early Retirement Enhancement Program

a. An eligible Member who elects to participate in the voluntary early retirement enhancement program ("VEREP") shall be entitled to receive the enhanced Retirement Income described in this Section.

A Member shall be eligible to participate in the VEREP if such Member

i. is a full-time Employee of an Employer listed in Chart A as of the first day of the Employer's window period

ii. satisfies the eligibility requirements of the respective Employer defined in Chart A

In order to participate in the VEREP, an eligible Member must elect to participate within the Employer's window period, and must agree to retire from the Employer on the expected retirement date or within such reasonable period thereafter as may be agreed to by the Member and the Employer. For purposes of this section, an Employee's "expected retirement date" is the first day of the second month following the end of the Employer's window period.

A Member who participates in the VEREP shall be granted an additional 3 years of Credited Service for purposes of determining the amount of Retirement Income payable under the terms of the Plan, with the maximum number of years of Credited Service increased from 40 to 43.

In addition, the age of any such Member shall also be increased by 5 years for purposes of determining any early retirement reduction factor applicable to the Member's Retirement Income, and for purposes of determining the date on which Retirement Income payments may begin.

The Covered Compensation of a Member who participates in the VEREP shall be determined through termination of employment. For VEREP participants retiring on December 1, 1993, Covered Compensation shall include any year-end cash executive bonus or holiday pay paid before January 1, 1994.

b. A Member who elects to participate in the VEREP shall also be entitled to receive a service benefit equal to two weeks' base pay times the number of full years of the Member's company service, to a maximum of 52 weeks' base pay. A Member's "company service" is the Member's period of full time employment with an Employer or with a Predecessor Company. A Member's "base pay" is such Member's rate of pay as of termination of employment.

MJ&J6153.SAM

[end of page] **JA503**

The service benefit shall be payable as an annuity in the same form (excluding any level income option) and at the same commencement date as the Member's Retirement Income. The amount of the annuity shall be determined by converting the total service benefit to a single life annuity using the 1971 Group Annuity Mortality Table for Males with a 3 year setback, and an interest rate of 4%. The single life annuity shall then be converted to the form of the Member's Retirement Income that is the Equivalent Actuarial Value of the life annuity. If the commencement date of the annuity is deferred, the annuity will be multiplied by a fraction, the numerator of which is the early retirement reduction factor under Section 5.02 at the benefit commencement age plus five years, and the denominator of which is the early retirement reduction factor under Section

5.02 at the Member's age as of termination of employment plus five years.

In place of an annuity, the Member may elect to receive his service benefit in monthly installments (to a maximum of 12 installments) equal to the Member's monthly base pay or such lesser amount for the final installment, commencing upon the Member's termination of employment. Such election shall not be valid unless the spouse of the Member consents to such form of payment in accordance with the provisions of Section 6.03.

c. A Member who first meets the requirements of subsection (a) of his Employer after the end of the Employer's window period but on or before February 28, 1994, may elect, within the period from December 1, 1999, through January 14, 1994, to participate in the VEREP.

d. A Member who would otherwise have met the requirements of subsection (a), but who either retired on or after age 55 or terminated employment as part of an Employer's Voluntary Separation Program before the beginning of the Employer's window period but on or after August 1, 1993 (on or after July 1, 1993 for Corporate employees), shall be entitled to receive the following additional benefits beginning on the first day of the second month following the end of the Employer's window period.

[end of page] **JA504**

MJ&J6153.SAM

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Chart A - Employers Participating in VEREP and Eligibility Requirements

Employer	Window Period	Eligibility Requirements (see following page)
J&J Corporate	September 1, 1993 - October15, 1993	(a),(b) and (c)
McNeil Consumer Products Co.	September 16, 1993 -October 30, 1993	(a),(b),(c) and (d)
McNeil Specialty Products Co.	September 16, 1993 October 30, 1993	(a),(b) and (c)
J&J Consumer Products, Inc.	September 16, 1993 - October 30, 1993	(a),(b),(c),(d) and (s)
Personal Products Co.	September 16, 1993 - October 30, 1993	(a),(b) and (c)
J&J Advanced Materials Co.	September 16, 1993 - October 30, 1993	(a),(b),(c) and (d)
Personal Products Worldwide	September 16, 1993 - October 30, 1993	(a),(b) and (c)
J&J Worldwide Absorbent Products & Materials Research	September 16, 1993 - October 30, 1993	(a),(b),(c) and (d)
Advanced Care Products	September 16, 1993 - October 30, 1993	(a),(b),(c) and (e)
Noramco, Inc.	September 16, 1993 - October 30, 1993	(a),(b) and (c)
"A" Company	September 16, 1993 - October 30, 1993	(a),(b),(c) and
Ethicon, Inc.	October 1, 1993 - November 14, 1993	(a),(b),(c),(g) and (h)
Ortho Diagnostic Systems, Inc.	October 16, 1993 - November 29, 1993	(a),(b),(c),(j) and (k)
Ortho-McNeil Pharmaceutical, Corp.	October 16, 1993 - November 29, 1993	(a),(b),(c) and (i)
Ortho Biotech Inc.	October 16, 1993 - November 29, 1993	(a),(b),(c) and (l)

APP.70

R. W. Johnson Pharmaceutical Research Institute	October 16, 1993 - November 29, 1993	(a), (b) and (c)
J&J Health Management, Inc.	October 16, 1993 - November 29, 1993	(a), (b) and (c)
J&J Medical, Inc.	November 1, 1993 - December 15, 1993	(a), (b), (c), (m) and (r)
J&J Hospital Services, Inc.	November 1, 1993 - December 15, 1993	(a), (b), (c) and (n)
J&J Orthopedics, Inc.	November 1, 1993 - December 15, 1993	(a), (b) and (c)
Codman & Shurtleff, Inc.	November 1, 1993 - December 15, 1993	(a), (b), (c) and (d)
Therakos, Inc.	November 1, 1993 - December 15, 1993	(a), (b) and (c)
IOLAB Corp.	November 1, 1993 - December 15, 1993	(a), (b), (c), (d) and (o)
Ethicon Endo-Surgery	November 1, 1993 - December 15, 1993	(a), (b) and (c)
J&J Interventional Systems Co.	November 1, 1993 - December 15, 1993	(a), (b) and (c)
Vistakon	November 1, 1993 - December 15, 1993	(a), (b), (c) and (p)
Critikon, Inc.	December 1, 1993 - January 14, 1994	(a), (b), (c) and (d)
Janssen Pharmaceutica, Inc.	January 1, 1994 - February 14, 1994	(a), (b), (c) and (q)
Janssen Research Foundation	January 1, 1994 - February 14, 1994	(a), (b) and (c)
LifeScan, Inc.	January 1, 1994 - February 14, 1994	(a), (b) and (c)

MJ&J6153.SAM

[end of: Chart A - Employers Participating in VEREP and Eligibility Requirements]

[page has been reformatted in landscape form, **JA507**]

APP.71

Key to Eligibility Requirements

(a) has attained age 50 and has completed 7 years of Credited Service as of the last day of the month in which the Employer's window period ends

(b) has not been granted certificates of extra compensation (CECs) which have not fully vested as of the last day of the month in which the Employer's window period ends

(c) is not on an Approved Absence for long term disability (as defined in the Employer's long term disability income plan) for at least one day during the window period of the Employer

(d) is not a production worker

(e) is not working in the research and development, clinical or regulatory divisions

(f) is not a production worker, except if working in tooling or diemaking

(g) is not a production worker in Alburquerque, NM (except for maintenance technicians) or Cornelia, GA

(h) is not an exempt associate in the sales and national accounting divisions

(i) is not a field-based employee

(j) is not working in one of the following departments (except for secretarial, managerial and planning personnel working in these departments):

i. Blood Bank Manufacturing and Quality Assurance

ii. AIDS/Hepatitis Manufacturing and Quality Assurance

iii. Hemostasis Manufacturing and Quality Assurance
iv. Immunecytometry Manufacturing and Quality Assurance
v. Central Quality Assurance
vi. Shipping/Receiving
vii. Maintenance

(k) is not working in of the following locations:
i. Carpinteria
ii. Somerset Labs – Buffalo
iii. Somerset Labs - Orange

(*l*) is not a Management Board Level employee

(m) is not working in the Advanced Sterilization Products division

(n) is not a field account management employee

(o) is not a Field Sales Employee

(p) is not a sales representative, wage employee, manager in international operations or customer service representative

(q) is not working in sales, marketing, corporate development or government affairs departments

(r) is not working in the division located in Jacksonville, FL

(s) is not a salaried production worker in Royston, GA

[end of page and Exhibit E]

FILED
MAR 20 1995
AT 8:30 ...11.....M*HS*
WILLIAM T. WALSH

ENTERED
On
THE DOCKET
CLERK on 3/21 1995
WILLIAM T. WALSH, CLERK
By ___s/s
(Deputy Clerk)

Civil Action No 94-5332 (NHP)*(*)*

HAWES
Plaintiff(s)

v.

JOHNSON & JOHNSON
Defendant(s)

PRETRIAL SCHEDULING ORDER

This matter having come before the Court for a scheduling conference pursuant to Civil Rule 16; good cause appearing;

IT IS on this 20th day of March, 1995,

ORDERED THAT:

I. DISCOVERY

1.Civil Rule 26(a)(1) disclosures shall be made not later than - ***left blank***

2.Interrogatories and document requests shall issue not later than - ***to be set.***

3.Discovery shall remain open through - ***left blank***
No discovery is to be issued or engaged in beyond that date.

4.No objections to questions posed at depositions shall be made except as permitted by Civil Rules 30(d)(1) and 32(d)(3)(A). No

instruction not to answer shall be given except as permitted by Civil Rule 30(d)(1).

5.Any discovery dispute shall be brought to the Court's attention in the first instance by letter of by telephone conference call immediately after the parties' good faith attempt to resolve the dispute has failed. General Rule 15E.2.

(*)Civil action no. 94-6203 (NHP) is hereby consolidated with this case for all purposes.

[end of page]

II. MOTION PRACTICE

6. Any motion to amend pleadings or add new parties shall comply with General Rule 12C and shall be returnable not later than *(*)*

7. Any dispositive motion shall comply with General Rule 12N. Motion papers shall be served by - ***to be set***
The parties are directed to General Rule 27B, which prescribes limits to length of briefs.

III. EXPERTS

8. Not later than - ***to be set*** the report of any proposed affirmative expert witness shall be served.

9.Not later than - ***to be set*** the report of any proposed rebuttal expert witness shall be served.

10.Each expert report shall conform with Civil Rule 26(a)(2)(B).

11. No expert shall testify at trial as to any opinions or base those opinions on facts not substantially disclosed in the expert's report.

IV. FINAL PRETRIAL CONFERENCE

12. A final pre trial conference shall be conducted pursuant

to Civil Rule 16(d) a.m./p.m. on - ***left blank*** 199

13. All counsel are directed to assemble at the office of counsel for plaintiff(s) not later than ten (10) days before the pretrial conference to prepare the Pretrial Order in the form and content required by the Court. Counsel for plaintiff(s) shall prepare the Pretrial Order and shall submit it to all other counsel for approval.

14. The original of the Pretrial Order shall be delivered to Chambers not latter than twenty-four (24) hours before the pretrial conference. All counsel are responsible for the timely submission of the Pretrial Order. All counsel are responsible for the timely submission of the Pretrial Order.

V. MISCELLANEOUS

15.The Court may from time to time schedule conferences as may be required, either sua sponte or at the request of a party.

16.Since all dates set forth herein are established with the assistance and knowledge of counsel there shall be no extensions except for good cause shown and by leave of Court.

(*) Defendants to amend answer by 4/21/95

[end of page]

17. Failure to appear at subsequent conferences or to comply with the terms of this or any other Order may result in the imposition of sanctions. Civil Rule 16(f).

18. A copy of every pleading, document or-written communication with the Court shall be served on all other, parties to the action. Any such communication which does not recite or contain a certification of such service may be disregarded by the Court.

19.There shall be a status/settlement conference on - ***5/3/95 at 11 am. (*)***

(*) 20. Defendants to identify individuals who were entitled to retirement (VEREP) benefits and subject to any reduction in force or elimination of position by 4/21/95. Defendants also to identify J&J subsidiaries, ect, that participated in VEREP. Plaintiffs may revisit scope of disclosure.

s/s

RONALD J. HEDGES
UNITED STATES MAGISTRATE JUDGE

Original: Clerk

cc: District Judge
File

[end of page]

CARPENTER, BENNETT & MORRISSEY

LAW OFFICES
THREE GATEWAY CENTER
100 MULBERRY STREET
NEWARK, NJ 07102-4079

April 21, 1995

Carol H. Sapakie, Esq.
Selikoff & Cohen, P.A.
Suite 314
307 Fellowship Road
Mount Laurel, New Jersey 08054-1233

Re: Slaydon-Hawes v. Johnson & Johnson, et al. Muscarella v. Johnson & Johnson, et al.
Civil Action No. 94-5332 (NHP)

Dear Ms. Sapakie:

I enclose the following in accordance with Judge Hedges' March 30, 1995 order:

1. List of companies or divisions that participated in the Severance Plan and VEREP, with the dates of the VEREP window period for each.

JA204

2. The individuals in 19 of the participating companies or divisions who were eligible under VEREP and were subject to a reduction in force or position elimination. (as set forth in my April 20, 1995 letter to Judge Hedges, defendants are seeking an extension of time to obtain this information for the remaining companies).

There does not appear to be anyone in addition to the three plaintiffs and Carol Holder who elected VEREP and applied for benefits under the plan.

[end of page 1] JA204

2. Amended answers to the Hawes and Muscarella complaints on behalf of the corporate defendants, plan and Pension Committee.

Very truly yours,

CARPENTER, BENNETT MORRISSEY

s/s Francis X. Dee

Francis X. Dee

FXD:232: ls
Enclosures

[end of page 2 end of letter] JA205

1. Companies or divisions that participated in the Severance Plan and VEREP

Company or Division	VEREP Window Period
J&J Corporate	9/1/93 - 10/15/93
McNeil Consumer Products Company	9/16/93 - 10/30/93
McNeil Specialty Products Company	9/16/93 - 10/30/93
J&J Consumer Products, Inc.	9/16/93 - 10/30/93
Personal Products Co.	9/16/93 - 10/30/93
J&J Advanced Materials Co.	9/16/93 - 10/30/93

Personal Products Worldwide	9/16/93 - 10/30/93
J&J Worldwide Absorbent Products & Materials Research	9/16/93 - 10/30/93
Advanced Care Products	9/16/93 - 10/30/93
Noramco, Inc.	9/16/93 - 10/30/93
"A" Company (sold 1994)	9/16/93 - 10/30/93
Ethicon, Inc.	10/1/93 - 11/14/93
Ortho Diagnostic Systems, Inc.	10/16/93 - 11/29/93
Ortho McNeil Pharmaceuticals, Inc.	10/16/93 - 11/29/93
Ortho Biotech	10/16/93 - 11/29/93
R. W. Johnson Pharmaceutical Research Institute	10/16/93 - 11/29/93
J&J Health Management, Inc.	10/16/93 - 11/29/93
J&J Medical, Inc.	11/1/93 - 12/15/93
J&J Hospital Services, Inc.	11/1/93 - 12/15/93
J&J Orthopaedics, Inc.	11/1/93 - 12/15/93
Codman & Shurtleff, Inc.	11/1/93 - 12/15/93
Therakos, Inc.	11/1/93 - 12/15/93
IOLAB (sold 1995)	11/1/93 - 12/15/93

[end of page]

Ethicon Endo-Surgery	11/1/93 - 12/15/93
J&J Interventional Systems Co.	11/1/93 - 12/15/93
Vistakon	11/1/93 - 12/15/93
Critikon, Inc.	12/1/93 - 1/14/94
Janssen Pharmaceutica, Inc.	1/1/94 - 3/14/94
Janssen Research Foundation	1/1/94 - 3/14/94
LifeScan, Inc.	1/1/94 - 3/14/94

I. Individuals entitled to VEREP benefits and subject reduction-in-force or elimination of position

Company or Division	Employees
Advanced Care Products	None
McNeil Specialty Co.	None
McNeil Consumer Products Co.	George Amos
	Marion Amos

	Robert Braun
	Helen Durlacher
	Julius Gross
	Virginia Kokinda
	Carl Kokinda
	John Poole
	Eva Robinson,
	Madeline Santoro
	Antoinette Trofa
	John Wasilewski
	Barbara Rossbauer
	D. Sperry
Janssen Pharmaceutica, Inc.	None
Janssen Research Foundation, Inc.	None
Lifescan, Inc.	None
Ortho Biotech	None
Ortho Diagnostic Systems, Inc.	None
J&J Orthopaedics, Inc.	
Codman & Shurtleff, Inc.	Betty Gazziano
J&J Hospital Services	None

[end of page] **JA207**

J&J Health Management, Inc.	None
J&J Interventional Systems	None
J&J Medical, Inc.	None
Therakos, Inc.	None
J&J Corporate	None
Ethicon, Inc.	T. Carroll
	E. Boisier
	W. Stack
	D. Considine
	J. Sladek
	B. Noll
	D. Harvill
	C. Kindt
	A. Noll
	E. Birkett
	P. Guerrera

	B. Hillhouse
	F. Ferris ,
Noramco, Inc.	None
Vistakon, Inc.	None

[end of page end of enclosures]

JA208

CARPENTER, BENNETT & MORRISSEY

LAW OFFICES
THREE GATEWAY CENTER
100 MULBERRY STREET
NEWARK, NJ 07102-4097

May 12, 1995

Carol H. Sapakie, Esq.
Selikoff & Cohen, P.A.
Suite 314
307 Fellowship Road
Mount Laurel, New Jersey 08054-1233

Re: Slaydon-Hawes v. Johnson & Johnson, et al. Muscarella v. Johnson & Johnson, et al.
Civil Action No. 94-5332 (NHP)

Dear Ms. Sapakie:

The following supplements part II of the information provided on April 21, 1995 in accordance with Judge Hedges' March 20, 1995 order..

II.. Individuals entitled to VEREP benefits and subject to reduction-in-force, or elimination of position

Company or Division	Employees
Ethicon Endo-Surgery	S. Failla
	E. Mills
	C. Rahe
	J. Pynn
	T. Dehart
	A. Harmon
	E. Burrington
	R. Rothfuss
	L. Main

EXHIBIT D JA209

[end of page]

Ortho-McNeil Pharmaceutical	S. Kieruif
	B. Page
	K. Patel
	B. Rodriguez
Direct Access Diagnostics	None
Critikon, Inc.	None
J&J Consumer Products, Inc.	None

J&J Advanced Materials Company	None
Personal Products Company	Carol Holder
J&J World Wide Absorbent Products	None
Materials Research	
RW Johnson Pharmaceutical	None
Research Institute	
IOLAB	None

Very truly yours,

CARPENTER, BENNETT & MORRISSEY

s/s Francis X. Dee

Francis X. Dee

FXD:232:en

[end of page] **JA210**

SEVERANCE GUIDELINES PPC ENGINEERING (MILLTOWN PLANT CLOSURE)

1. NOTICE: SALARY AND BENEFITS CONTINUED THROUGH OCTOBER 29, 1993 OR UNTIL THE INDIVIDUAL OBTAINS OTHER EMPLOYMENT, WHICHEVER OCCURES FIRST.

2. SEVERANCE PAY:

MAXIMUM ALLOWANCE PER YEAR OF SERVICE*

YEARS OF COMPLETED SERVICE	NON-EXEMPT	EXEMPTS NON-BONUS ELIGIBLE	EXECUTIVE BONUS ELIGIBLE
UNDER 7 YEARS	1 WEEK**	1 WEEK	2 WEEKS
7 THROUGH 11 YEARS	1 ½ WEEKS	2 WEEKS	3 WEEKS
12 THROUGH 19 YEARS	1 ½ WEEKS	2 ½ WEEKS	1 MONTH
20 YEARS AND OVER	1 ¾ WEEKS	3 WEEKS	1 MONTH

* MINIMUM OF 8 WEEKS AND A MAXIMUM OF 18 MONTHS SEPARATION PAY.
** CURRENT POLICY 2 WEEKS PER YEAR OF SERVICE ALL CATEGORIES

3. BENEFITS: UPON TERMINATION, EMPLOYEES WILL BE PROVIDED THE OPPORTUNITY TO EXTEND MEDICAL BENEFITS (EXCLUDING DENTAL) AND LIFE INSURANCE COVERAGE THROUGH THE DURATION OF SEPARATION PAYMENTS, OR UNTIL THE INDIVIDUAL HAS INSURANCE COVERAGE WITH A NEW EMPLOYER, WHICHEVER OCCURS FIRST. DENTAL COVERAGE MAY BE, CONTINUED FOR A PERIOD UP TO 18 MONTHS FROM THE DATE OF SEPARATION UNDER COBRA REGULATIONS. UPON EXPIRATION OF SEPARATION PAY, EMPLOYEES WILL BE PROVIDED THE OPPORTUNITY TO CONVERT LIFE INSURANCE; MEDICAL BENEFITS ALSO CAN BE CONTINUED UNDER COBRA FOR A TOTAL OF 18 MONTHS PROM THE DATE OF SEPARATION, INCLUDING THE SEVERANCE PAY PERIOD.

4. CAREER CENTER: ORIENTATION MEETING IS SCHEDULED FOR SEPTEMBER 2 FROM 9AM – 5PM.

8/11/93 PRESENT: R. JENKINS
R. RAPIEJIKO
R. MUSCARELLA

RECEIVED
s/s
R. MUSCARELLA, 8/20/93 1:15 PM APPRO.

EXHIBIT A

Personal Products

MILLTOWN, NEW JERSEY (908) 524-0400

TO: Robert Muscarella October 25, 1993

FROM: R. J. Rapiejko s/s RJR

SUBJECT: VEREP

As requested, this confirms, our conversation regarding VEREP. If you take VEREP you are not eligible for the separation package as outlined at the meeting of August 20, 1993. It is your choice, you are eligible for the separation package or VEREP, not both.

RECEIVED
10/25/93
s/s
R. MUSCARELLA

EXHIBIT D 000080 **JA189**

SELIKOFF & COHEN, P.A.
307 Fellowship Road,
Suite 314
Mt. Laurel, New Jersey
08059 (609) 778-6055
CS 0100
Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
DOCKET NO. 94-5332(NHP)

Civil Action

SECOND AFFIDAVIT OF ROBERT MUSCARELLA

SANDRA SLAYDON HAWES et al.,
Plaintiffs on behalf
themselves and classes
of similarly situated
persons,

V.

JOHNSON & JOHNSON, a New Jersey
corporation; et al.,
Defendants.

STATE OF NEW JERSEY)
) ss:
COUNTY OF BURLINGTON)

ROBERT A. MUSCARELLA, being of full age and duly sworn according to law, upon my oath depose and say that:

1. I am a Plaintiff in the above-captioned action and reside at 90 Jamie Court, Town of Monmouth Junction, Middlesex County, New Jersey 08852.

2. On October 19, 1993 I received that portion of Personal Products' Personnel Practice manual attached hereto as Exhibit E which informed me that retirees were not eligible for severance unless they retired "as part of a company- sponsored voluntary workforce reduction program."

[end of page] **JA381**

3. On September 11, 1993, I received a package of materials describing VEREP. It included the letter from Efrem B. Dlugacz, Johnson & Johnson's Director of Corporate Benefits attached hereto as Exhibit F. The execution page for the Retirement Plan of Johnson & Johnson attached as Exhibit I to this affidavit, informs me that Mr. Dlugacz is a member of the Johnson & Johnson Pension Committee.

4. Mr. Dlugacz's letter attached hereto as Exhibit F informed me that " You are eligible for the special Voluntary Early Retirement Enhancement Program that was recently announced", and that I would "receive a special Service Benefit from the Pension Plan ...." (emphasis supplied) if I accepted an early retirement pursuant to VEREP.

5. The VEREP package which I received under cover of Mr. Dlugacz's letter on September 11, 1995, also included a nineteen page document entitled "Johnson & Johnson Voluntary Early Retirement Enhancement Program (VEREP) Questions and Answers" attached hereto as Exhibit G. The following question and answer informed me that the VEREP service benefit was part of my pension benefit:

> Q26. IS THE SERVICE BENEFIT PART OF MY PENSION BENEFIT?
>
> A26. The Service Benefit is paid from the Pension Plan and is in addition to your enhanced pension benefit under the VEREP.

6. The following question and answer from the same document informed me that the VEREP service benefit would be Characterized for tax purposes as a pension distribution rather than as severance or a continuation of wages:

> Q24. WHAT ARE THE TAX CONSIDERATIONS FOR THE SERVICE BENEFIT?

A24. If you receive the Service Benefit as an annuity payment added to your enhanced monthly pension benefit, it will be subject to the same federal income taxes, and possibly state and local taxes, in the year received similar to your pension. Amounts paid from the pension Plan are not subject to Social Security (FICA) taxes.

If you receive the Service Benefit in monthly installment for up to one year, based on your service, it is subject to federal income taxes and possibly state and local taxes. In addition, if you are under age 55; in the year of retirement, the Service Benefit may be subject to an additional 10% early distribution tax. If you want to defer taxes (and defer or eliminate the additional 10% early distribution tax), the monthly installments can be rolled over to an IRA.

7. In response to my request for an ERISA plan document describing VEREP, the J&J Corporate Benefits Department informed me by unsigned letter dated November 12, 1993 attached hereto as Exhibit H that the VEREP program offered enhancements to the current Johnson & Johnson pension plan, that the enhancements "are part of the J&J Salaried Pension Plan", that the pension plan enhancements included the "service benefit", and that a separate plan document "is not required".

8. None of the material I received from Johnson & Johnson concerning its VEREP program ever told me that if I accepted VEREP generally or the VEREP service benefit in particular that I would not be eligible for severance under the Johnson & Johnson Severance Plan. Nor was I ever informed that my severance benefits were being off set by the VEREP service benefit.

9. My attempts to obtain a plan description for VEREP was unsuccessful until on June 15, 1995 the United States Internal Revenue Service sent me the Retirement Plan of Johnson & Johnson

and Affiliated Companies attached hereto as Exhibit I. I found that VEREP, including its service benefit, was incorporated into the Johnson & Johnson Retirement Plan through Article 12 and Exhibit E thereto.

10. I am informed by the execution page attached to the Johnson & Johnson's Retirement Plan attached hereto as Exhibit I that the members of the "Pension Committee of the Board of Directors" includes Chairman, Clark H. Johnson, Efrem B. Dlugacz, Joanne Heisen, Roger S. Fine, and Robert E. Campbell. Johnson & Johnson's Frank Bolden corporate counsel is not a member of the Pension Committee.

11. I am informed by pages 50 and 51 of the Johnson & Johnson 1993 Annual Report, attached hereto as Exhibit J, that Pension Committee Chairman Clark H. Johnson was at that time a vice president and chief financial officer of Johnson & Johnson and a member of its Board of Directors as well as its Executive Committee.

12. I am informed by the letter attached hereto as Exhibit F that Pension Committee member Efrem B. Dlugacz was at that time Johnson & Johnson's Director of Corporate Benefits.

13. I am informed by pages 50 and 51 of the Johnson & Johnson 1993 Annual Report, attached hereto as Exhibit J, that Pension Committee member Joanne Heisen was at that time Johnson & Johnson's Corporate Treasurer.

14.I am informed by pages 50 and 51 of the Johnson & Johnson 1993 Annual Report, attached hereto as Exhibit J, that

[end of page 4] **JA384**

Pension Committee member Roger S. Fine was at that time Johnson & Johnson's Vice President for Administration and member of the Johnson & Johnson Executive Committee.

15.1 am informed by pages 50 and 51 of the Johnson & Johnson 1993 Annual Report, attached hereto as Exhibit J, that Pension Committee member Robert E. Campbell was at that time Vice Chairman of Johnson & Johnson's Board of Directors.

16. To the best of my knowledge, Robert Rapiejko was at all times relevant not a member of the Johnson & Johnson Pension Committee or of the Johnson & Johnson General Counsel's Office.

s/s

ROBERT A. MUSCARELLA

SWORN and SUBSCRIBED to
before me this 10th day
of August, 1995

s/s Joan E. Peculski

NOTARY PUBLIC

JOAN E PECULSKI
Notary Public of New Jersey
My Commission Expires 10/20/97
ID # 54888

[end of page 5]

JOHNSON & JOHNSON

RECIEVED
9/11/93
s/s

R. Muscarella

September 10, 1993

Dear Employee:

You are eligible for the special Voluntary Early Retirement Enhancement Program (VEREP for short) that was recently announced.

The VEREP offers a unique opportunity to retire voluntarily from Johnson & Johnson with enhanced benefits. If you elect to retire under this program, your benefits will be enhanced as follows:

* Five years will be added to your age and three years will be added to your Pension Credited Service to increase your pension benefit. As a result, even if your actual age is under 55, you will become immediately eligible to begin receiving pension payments.

* You will receive a special Service Benefit from the Pension Plan equal to two weeks of regular base pay multiplied by your actual completed years of employment service with Johnson & Johnson. This Service Benefit provides a maximum benefit equal to 52 weeks of regular base pay and is in addition to the enhancement to your regular pension benefit described above.

* You will immediately be made eligible for Retiree Medical and Retiree Life Insurance Benefits if your current age and Credited Service do not already entitle you to these benefits.

* If you are an executive who has been awarded Stock Options, your outstanding options will immediately become

100 % vested, and the exercise period win be extended in accordance with the Plan rules.

We have developed a number of initiatives to help you reach a decision in this very important matter. Enclosed is personalized information to help you consider the value of this program. In addition, we have provided Questions and Answers which cover many issues we expect you will want to know about. You are also invited to attend a seminar to help You understand the financial impact of retirement under the VEREP (see enclosed invitation). An 800-hotline is available for your ongoing questions. The hotline number is 1-800-235-3426.

[end of page] 000187 **JA387**

In order to retire under this special program, you must sign and return the "Retirement Election Form" in this package. it must be postmarked no later than Saturday, October 30, 1993. Your retirement date will then be December 1, 1993, but may be extended by Johnson & Johnson until as late as February 1, 1994.

Since the VEREP is strictly voluntary, the choice to retire or not should be a knowledgeable, informed one based on factors that apply to you and your family. I urge you to review carefully all of the materials in this package, to attend a seminar and to call the hotline with your questions.

Sincerely,

s/s
Efrem B. Dlugacz
Corporate Director of Benefits

[end of page] 000188 **JA388**

EXHIBIT F

JOHNSON & JOHNSON

November 12, 1993

410 GEORGE STREET
NEW BRUNSWICK, N.J. 08901

Mr. Robert A. Muscarella
90 Jamie Court
Monmouth Junction, N.J. 08852

Re: VEREP FULL DISCLOSURE

Dear Mr. Muscarella:

Johnson & Johnson Corporate Benefits has received your letter requesting a copy of the full disclosure for the VEREP Program.

The VEREP Program represents enhancements to the existing J&J Salaried Pension Plan. The enhancements include an additional 5 years of age and 3 years of Credited Service to your pension benefit and the addition of the new Service Benefit.

Since these enhancements are part of the J&J Salaried Pension Plan, we are drafting an amendment to the current Pension Plan document to reflect these Plan changes. A separate Plan Document is not required. The amendment will be completed within the next couple of months. You may request a copy of the amendment through your local Benefits Department in early 1994.

Sincerely,

J&J Corporate Benefits

EXHIBIT H 000173 **JA408**

CERTIFICATION OF PENSION PLAN AMENDMENT
AND RESTATEMENT

Effective January 1, 1989, (except as otherwise provided herein) the Retirement Plan of Johnson & Johnson and Affiliated Companies is amended and restated in its entirety. The Plan, as constituted immediately prior to the execution of this amendment and restatement, is replaced by the attached Plan document.

Date: 12/15/94

PENSION COMMITTEE OF
THE BOARD OF DIRECTORS

Name: s/s
C. H. JOHNSON
Title: (CHAIRMAN)

Name: s/s
R. E. CAMPBELL
Title: (MEMBER)

Name: s/s
E. B. DLUGACZ
Title: (MEMBER)

Name s/s
R. S. FINE
Title: (MEMBER)

Name: s/s
J. H. HEISEN
Title: (MEMBER)

EXHIBIT I **JA409**